CASTE DISCRIMINATION AND THE PRIVATE SECTOR

Employment Principles for Foreign Investors in South Asia

Dalit Solidarity Network UK Report 2005

Cast out Caste

£2.50

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DSN Employment Principles Seminar 22nd Sept 2004

1. INTRODUCTION

David Haslam (DSN Chair) and Rodney Bickerstaffe (DSN Trustee & former UNISON General Secretary)

1.1. This report outlines the main arguments and issues raised in the seminar entitled 'Employment Principles for Foreign Investors in South Asia' held on September 22nd 2004 in St Ethelburga's centre, London.The seminar raised a number of important issues in relation to caste discrimination and foreign investment in South Asia. Dispelling the view that the caste system is nonexistent today, the seminar and this report call for greater attention to what is still a very live issue. Caste discrimination continues in employment, education, healthcare, housing, land rights and the criminal justice system. In India, it affects over 260 million people, including the tribal peoples and the 'Scheduled Castes', formerly referred to as 'untouchables', but who have now adopted a name of their choice - 'Dalits'[1] . At least 50 million others are affected in other countries of South Asia, Japan and several African countries. Resistance to discrimination on the basis of caste is growing[2], although, Dalits are threatened, beaten or even murdered as they defy the dominant caste structures.

1.2. Soon after the seminar, an International Consultation on caste discrimination took place in Kathmandu, Nepal, at the end of November 2004[3]. Whilst discussing discriminatory practices perpetrated by employers, a report presented by Save the Children (US) showed that most international NGOs and UN-related agencies in Nepal employ few Dalits[4]; and in those who do Dalits are employed at the lowest levels. The report highlighted the obvious lack of awareness of caste discrimination, and policies to counter it, even within not-for-profit organisations such as INGOs.

1.3. It is not surprising then that few companies, especially those moving to South Asia for the first time are aware of caste discrimination. They are certainly not aware of the degree to which it pervades Indian society, and the harshness with which it is practiced, especially in rural areas. Companies who do have some experience in India claim that they are aware of caste. They state – as do employers all over the world – they do not discriminate, but often seem unwilling to say what they do to overcome the discriminatory system in which they operate.

1.4. Moreover, few international companies in the region employ Dalits. Apart from human rights arguments, organisations may be missing out on real ability. A US journalist recently described going to a Dalit community, getting into a typing competition with an eight year-old Dalit girl, and being left defeated, much to the delight of her classmates. However, despite such potential, an article in the 'Observer' in late 2004 mentioned that although the Dalits interviewed for the article had degrees in economics and commerce, they were forced to take up their caste jobs as road sweepers[5].

1.5. To advance the interests of Dalits, especially in their access to employment, the Consultation put forward a set of Employment Principles, and agreed to entitle them the 'Ambedkar Principles', named after the most well-known and prestigious Dalit leader, Dr B.R. Ambedkar.

1.6. Dr. Ambedkar rose from being the son of a railway worker, but supported by a wealthy patron, he obtained doctorates in London and New York, and became a key participant at the London 'Round Table', which decided the future of India. He drafted the country's Independence Constitution.

1.7. The Ambedkar Principles included in this report list employment principles which aim to assist foreign investors to address caste discrimination in South Asia. The Principles are open to discussion and amendment. It is hoped a final version will emerge during 2005 and that employers, including international agencies, foreign companies and even Indian-based national and international companies will be courageous enough to sign them.[6] A monitoring system is built into the Principles[7], to monitor their impact and support their wider adoption.

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1 The word 'Dalit' comes from Sanskrit - meaning crushed and downtrodden.

2 In April 2005 the United Nations Commission on Human Rights passed an historic resolution appointing two 'special rapporteurs' to investigate discrimination on the basis of work and descent internationally.

3 See the IDSN website to download the report – www.idsn.org

4 Save the Children US and INSEC Nepal (2004) Is there room enough? Dalit recruitment Policies and Practices in selected I/NGOs and Bi/Multilateral Organizations of Nepal.

5 See appendices. *Untouchables in new battle for jobs* Observer (03.10.2004)

6 The Principles are currently open for consultation and comment. Please refer to www.idsn.org for further information.

7 See Ambedkar Principle no. 8 - Develop effective monitoring and verification mechanisms of progress with effect to the above at the level of the individual company, and also co-operate in monitoring at the levels of sector and the state, involving Dalit representatives, including women, in these mechanisms.

1.8. What became very clear in South Africa under apartheid, and in the racially discriminatory climate of Europe and the United States, is that unless there is intervention, nothing changes. It is wholly insufficient for actors in these contexts to say 'we do not discriminate', because if they are involved in a discriminatory system they can only not discriminate by challenging the prevailing culture. The Dalit Solidarity Network (DSN-UK), along with the International Dalit Solidarity Network (IDSN), stands ready to work with all those involved in employment in the countries of South Asia to address the shameful system of caste discrimination, which suppresses so much of the region's human potential.

1.9. **A comment from Bernadette Fisher, UNIFI National Officer - *The Dalit Solidarity Network would like to gratefully acknowledge UNIFI (now merged with AMICUS) for sponsoring the employment principles seminar.***

1.9.1 Between 2003 and 2004, UNIFI has not only been securing agreements with our major employers – Barclays, HSBC and Lloyds TSB (RBS Natwest is not off-shoring work) – to ensure alternative jobs are found for those displaced by the transfer of work (mainly to India,) but as part of these agreements, we have negotiated a range of commitments by the banks to adhere to international labour standards in their off-shored enterprises, be they direct or third party. The DSN Employment Principles are a welcome next step in developing a more just and sustainable employment relationship in off-shored enterprises.

1.9.2 Apart from seeking agreement to these principles by the major finance sector employers, UNIFI is committed to seeking support from other unions and confederations of unions, such as UNI, to raise the profile of Dalit solidarity. We recognise that there is a lot to do, to give Dalit Rights the profile it deserves. With UNIFI's merger with Amicus, we will seek to ensure that the concern for caste discrimination is carried forward into the new organization.

2. Affirmative action in the private sector: why and how?

Professor Sukhadeo Thorat, Jawaharlal Nehru University Delhi & international Institute of Dalit Studies.
Summarised by Nidhi S Sabharwal.

2.1. Faced with the intense discrimination and inequalities associated with the caste system and untouchability, the Indian state has made explicit use of affirmative and positive action (or what is called 'Reservation policy') in employment, education and other spheres with respect to discriminated groups such as Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Castes (OBC).

2.2. Unlike in some other countries however, this policy is confined to the government sector in India; the vast private sector that includes agriculture, private industry and tertiary activities has remained outside its scope. Consequently over 90% of the SC/ST population which is engaged in the private sector, has remained without protection against discrimination. In several other countries, including the US, the UK and South Africa, various types of affirmative action policies have been used in both the private and public sectors.

2.3. There are traditionally three unique features of the caste system in India: (a) fixed occupation (property rights) for each member of caste by birth, and its hereditary continuation, (b) unequal distribution of economic and social rights related to occupation, property, employment, wages and education among different caste groups, and (c) the provision of a strong system of penalties for enforcement of the system. Exclusion and discrimination in occupation and labour employment is therefore an inevitable outcome of the caste system.

2.4. By putting restrictions on mobility of labour across caste occupation and thereby not permitting re-adjustment of employment opportunities, caste becomes a direct cause of much "voluntary unemployment" among high castes and 'involuntary unemployment" among the low castes.

2.5. **Is discrimination only an equity issue, or does it also involve economic costs to society?**
Mainstream theories suggest that market discrimination slows economic growth due to less than optimal allocation of labour among firms in the economy. Discrimination, particularly in the labour market, brings income losses to discriminated groups due to wages/salaries lower than their productivity. Pre-market

discrimination in access to education and skill development also keeps the discriminated group at a lower level of development and reduces opportunities for employment.

2.6. Evidence of economic discrimination and deprivation: wage labour as a traditional occupation continues to constitute the main occupation of SC population in India. SC workers suffer from a higher incidence of unemployment and under-employment, and a higher incidence of poverty, malnutrition, under-nutrition and higher mortality.

2.7. **Remedies against discrimination:** The theoretical perspective sees the erosion of profit following sub-optimal allocation of labour due to discrimination as a self-correcting dimension of discrimination. However, this approach has serious limitations. The adoption of various types of affirmative and positive action policies is necessary to overcome these limitations.

2.8. Methods and procedures used to implement the policy of anti-discrimination and affirmative action:
1) Equal Employment Opportunity Legislation (EEOL), which provides legal safeguards against discrimination;
2) Just participation, which is viewed in term of fixed quotas (similar to India), while elsewhere it is expressed in terms of racial/religious minority balance, and/or 'appropriate candidate pools', with numerical goals and timetables without quotas;
3) 'Reparation or compensation', which emerges as payment for the denial of property rights and other rights in the past, having caused an intense deprivation to a particular group.
All the three measures are essential for resolving market and non-market discrimination in the Indian context.

2.9. At present the Indian government has used special measures, of which some are in the nature of positive actions and others of a compensatory nature. The measures of compensatory nature include setting up of special financial institutions like SC/ST Finance Corporations to support minority businesses.

2.10. For the private sector, in the private capital market it is necessary to develop affirmative action policy to improve the access of marginalized groups to private capital as well as to employment opportunities. This can be achieved by ensuring a specific and well-defined affirmative action policy in the private financial institutions to improve the access of minority social groups to regular financial capital. Likewise, to develop a compensatory policy which would increase the access of the SCs to capital markets; this in turn will lead to an increase in their share in business and in corporate capital.

2.11. In the industrial and service sectors there is a need to use both the strategies of legal safeguards in terms of equal employment opportunity legislation and of affirmative action very similar to the present Reservation policy in public sector employment.

2.12. The United Nations has also laid down certain guidelines and 'Business Norms' for transnational companies, particularly in employment, in the countries of their location. The Global Compact is a voluntary corporate citizenship initiative, which aims to strive towards a more sustainable and inclusive global economy.

2.13. At the core of the Global Compact are ten principles in the areas of human rights, labour and the environment. Principle 6 of the Global Compact is especially relevant in the context of caste system. This requires the supporting companies to make an effort for 'the elimination of discrimination in respect of employment and occupation'.

2.14. The Global Compact and its principles have been supported by as many as 1,775 companies. Participating companies have set in motion changes in their business operations so that these principles become a part of strategy, culture and day-to-day operations.

2.15. A few of the companies that have participated in the Global Compact are Cadbury Schweppes, Chrysler, H&M, Gap, HSBC and L'OREAL. In India, companies engaged in providing IT services in consulting, chemicals and in textiles have committed themselves to supporting the Global Compact and its principles.

2.16. The Organisation for Economic and Co-operation and Development has also offered guidelines in the area of corporate responsibility and some companies have signed up to the Global Sullivan Principles which emphasize the importance of human rights and equality of opportunity.

2.17. In conclusion, it has to be recognised that low-caste 'untouchables' suffer from societal discrimination in multiple economic and social spheres. Therefore, the legal safeguards and affirmative action policies for the private sector should cover not only the employment market but also the capital market. The Indian government could develop an understanding with transnational companies to follow positive policies initially on a voluntary basis in their employment and capital lending policies. Transnational companies themselves might adopt certain employment principles which if operated jointly might send a helpful signal to the authorities in all countries where caste discrimination exists.

2.18. **Note:** The former 'untouchables' are referred to by the Indian Government and other authorities as 'Scheduled Castes (SCs), as the groups concerned were cited in certain Schedules attached to the Indian Constitution. These groups increasingly refer to themselves as 'Dalits', a word meaning broken, crushed, oppressed, but which they are now imbuing with a new meaning of resistance to a system which places them at the very bottom of society. Dalits, or those discriminated against 'by work and descent' as the UN puts it, are also found in Nepal and the other countries of South Asia, and similarly affected groups exist in Japan, Somalia, Senegal, Nigeria and a number of other countries. There are some 180 million Dalits in India, another 90 million 'Scheduled Tribes (STs), who suffer similar problems and are sometimes classed with the Dalits, altogether some 300 million people are affected worldwide by this form of discrimination. It is one of the major human rights issues in the contemporary world.

2.19. **Social Indicators for Dalits (1998-1999)**

	Dalits	Non-Dalits
Infant Mortality Rate	83	61.8
Child Mortality Rate	39.05	22.2
Undernourishment	54	41.1
Life Expectancy (Years)	62	66

Source: Thorat & Nidhi Sadana (2002:99)

2.20. **Economic indicators for Dalits (1999-2000)**

	Rural Dalits (%)	Rural Non -Dalits (%)	Urban Dalits (%)	Urban Non -Dalits (%)
Self-Employment in Agriculture	16	41.11	3.28	4.3
Self-Employment in Non-Agriculture	10.18	14	27.76	38.7
Wage Labour	61	29	64	15
Employment Rate	46	48.4	45.8	50
Unemployment Rate	5	3.5	5.2	3.5
Poverty Rate	35.4	20	39	21

Source: NSS Employment Survey, 1999-2000, CSO, Delhi

*** The full report, *Affirmative Action in the Private Sector: Why and How*, by Prof. Thorat is available from the DSN office.**

3. RESERVATION POLICY IN THE PUBLIC AND PRIVATE SECTORS

Savio Lourdu, Dalit Community Activist

3.1. In the 1950s and 1960s because of the Civil Rights Movement the US Government started to desegregate schools and remove economic discrimination against African-Americans through 'affirmative action' programmes. This included promoting employment legislation in the employment corporate sector, and aiding minority businesses and professions.

3.2. In India, minority rights are dealt with in a Reservation Policy for Scheduled Castes and Scheduled Tribes (Dalits) in the Indian Constitution. A particular portion of public sector jobs and political positions are reserved for SCs and STs in proportion to their percentage in the population, which is around 27 percent. However, in recent years, liberalisation has led to the government privatising an increasing number of government sector jobs.

3.3. Whilst, reservation policy is clearly spelt out for the public sector in the Indian Constitution under Articles 334 and 335, liberalising the economy does not by itself advance the interests of minority groups in private sector employment. The present policy of reservation should therefore be extended to the private sector.

3.4. Reservation is not tokenism - it does not ask for jobs for the less able; jobs are for qualified candidates. It does not also compromise the working standards set by the company. Moreover, 'corporate social responsibility' is partly about private companies giving back to communities a share of their income obtained from the people, and the land.

3.5. To illustrate why the time is ripe for extending the reservation policy to the private sector: according to the Ministry of Labour in 1999 the total workforce in the organised private sector was close to 9 million. Low skilled, semi-skilled and unskilled workers constitute more than three-quarters of this. The majority are Dalits, who now face the threat of becoming wage labourers due to privatisation.

3.6. **Current Government Initiatives:** In June 2003 President Kalam stated in a speech 'the government is sensitive to the issue of "affirmative action" including reservations in the private sector, and is committed to faster socio-economic and educational development of the Scheduled Castes and Tribes'. In August, the Manmohan Singh Government announced that it would constitute a group of ministers to examine private sector reservation. The Confederation of Indian Industry however opposed it, and in June 2004 it stated that the government should 'work to upgrade skills of the weaker sections of society' to make them more employable. The Justice Venkatachaliah Commission, which was appointed to review the working of the Indian Constitution, has said any statute should cover all aspects of reservation, including the setting-up of tribunals to adjudicate cases and disputes pertaining to reservation in posts and vacancies in government, public sector, banks and other financial institutions. The Commission reports said it should be stipulated in the memoranda of understanding that reservation policy should be continued even after privatisation or divestment, as it exists in the public sector. The Government however has recently back-tracked on this issue (June 2005).

3.7. **Local Initiatives in favour of Private Sector Reservation:** In Chennai the Dravidar Kazhagam Party (DK) organised demonstrations in front of the Government office in Tamil Nadu, demanding a reservation policy for SC/ST's, but opposing it for the so-called 'backward classes'. Confederation of Indian Industries (CII) President Sunil Kant Munjal said 'Merit cannot be compromised. We are not quiet (on the issue of Reservation in private sector) ... we cannot afford to compromise competitiveness in corporations. Rather than a patchwork approach, government should try to upgrade the skills of the backward section'

3.8. Others are of the view that combating caste discrimination is not just the work of the government it is also the responsibility of the private sector. Tata Industries, one of India's largest Corporations, supports caste-based job reservations in the private sector. Tata is said to be developing its own affirmative action plan and will share it with the Government in due course. International organisations are also now taking up a lobbying role with the private sector both inside India and outside it, on the issue of private sector reservation.

4. CORPORATE RESPONSIBILITY AND DALITS: A CAMPAIGNING PERSPECTIVE

Gerard Oonk, Director, India Committee of the Netherlands

4.1. The India Committee of the Netherlands (ICN) is an independent NGO campaigning on human rights issues in India in a global context[8]. For the last ten years ICN has been working on corporate social responsibility (CSR), especially on child labour and labour rights, and since about six years on caste discrimination. ICN is an active member of the International Dalit Solidarity Network (IDSN), the European 'Stop Child Labour' campaign and the Dutch CSR Platform.

4.2. Although, previously aware of caste discrimination's existence, this was not an integral part of ICN's socio-economic analysis, and more specifically the analysis and action on the implementation of labour rights. Only in the past few years has ICN looked more closely at the human and labour rights implications of caste, fully realising the enormous importance of caste discrimination for the (lack of) realisation of labour rights. Decent corporate behaviour should therefore also include an active and affirmative policy to counter caste discrimination in the workplace.

4.3. **Footballs and Dalits:** Let's take two examples to illustrate the point. ICN has been working intensively on child labour in the Indian football industry, including in the Euro 2000 and World Cup Campaign[9]. The latter was a joint campaign with the Global March Against Child Labour. Most football stitchers in India are very poor - almost half of them live below the poverty line - while at the same time more than 90% of the stitching households are Dalits. This is not a co-incidence as footballs used to be made from leather, an animal product, which only the Dalits could come in contact with. It is therefore difficult to distinguish between pure economic exploitation and subjugation based on caste , but undoubtedly both factors work in tandem for football stitchers. This keeps them at the bottom of the economic and social hierarchy.

4.4. A report published in 2000 notes that discrimination because of caste, including in school, might be a more important factor for young football stitchers to drop out of school and start work than the often cited financial reasons. For adult football stitchers it is very often difficult for them to organise themselves into groups , as they are economically exploited and separated from each other in the sub-contracting chain (they often work at home, selling the finished goods to intermediaries). Besides, their low caste status also puts them in a weak bargaining position.

4.5. **80.000 victims:** There are many children, mainly girls, working in hybrid cotton seed cultivation in the Indian state of Andhra Pradesh[10]. In 2004 they numbered more than 80.000 of which more than 12,000 working for multinationals like Monsanto, Syngenta and Bayer. These children work long hours, do not go to school, are exposed to pesticides, and are often bonded to the employers because of debt . Those who are bonded do not usually live at home, but instead live in accommodations such as an employer's cowshed, and therefore become extremely vulnerable to exploitation and abuse. Most of these children are Dalits while others belong to backward castes including Muslims.

4.6. ICN and other organizations have been working on this issue with an Indian NGO – the MV Foundation, which aims to get every working child regardless of caste into regular fulltime education. This organisation with more than ten years experience in this area has shown that not poverty but tradition, exclusion, discrimination, non-functioning public schools and the lack of a clear social norm against child labour continue the vicious circle of poverty and child labour. The organization aims to support all children, including Dalit children into regular schools.

4.7. **Corporate Responsibility:** In February 2004 ICN published the report 'Corporate Social Responsibility in India – Policy and practices of Dutch companies'. According to the companies surveyed no discrimination of Dalits was reported in the work place. In practice however, women get less pay for the same job; they often do not get a contract or qualified jobs; and are sexually harassed . It is well-know that Dalit women suffer the worst forms

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8 ICN, www.indianet.nl/english.html

9 Child and adult labour in India's football industry and the role of FIFA, www.indianet.nl/iv.html

10 Child labour and multinationals in the Indian cottonseed industry, www.indianet.nl/katoenz_e.html

of discrimination. One of the recommendations in the report is that companies should stimulate participation of women and Dalits (including of course Dalit women) into higher qualified jobs by developing affirmative action plans. It was also recommended that companies engage with local NGOs to find ways to help stimulate education and training of women and Dalits.

4.8. Recently the instruments of corporate responsibility and accountability have been linked to situations of caste discrimination in employment, for example in the OECD Guidelines for companies and the ILO labour standards[11]. The recently published report on the 'International Consultation on Caste-Based Discrimination[12] bears testimony to this, just like the Ambedkar (Employment) Principles to be found in this report. This is the beginning of what will undoubtedly become a range of efforts to firmly link the fight against caste discrimination to the existing human rights responsibilities and obligations of companies. In order to reach that goal, Dalit organizations, development and human rights NGO's as well as national and global trade unions should join forces together.

5. THE AMBEDKAR PRINCIPLES: EMPLOYMENT PRINCIPLES TO ASSIST FOREIGN INVESTORS TO ADDRESS CASTE DISCRIMINATION IN SOUTH ASIA.

5.1. Caste discrimination remains a serious problem in the countries of South Asia. The Principles outlined below are an attempt to address this. They are intended to acknowledge the degree of historic injustice against Dalits and to compensate for this through affirmative action, in line with international Human Rights standards. They will enable foreign investors or companies trading in the region to contribute to eliminating caste discrimination in the labour market. Much has been learned from using similar principles for race equality in employment, such as the Wood-Sheppard Principles in the UK, and from principles developed for investment in countries with serious and structural human rights violations, such as the EU Code of Conduct and the Sullivan Principles drawn up in relation to apartheid South Africa.

5.2. The principles are firmly rooted in and seek to build upon the labour rights that are already supported by the international community - governments, trade unions and employers' associations alike - in the form of the conventions of the International Labour Organisation (ILO). They can be seen as the practical application of a number of these rights for a large section of the South Asian population that has been subjugated for centuries. These people are severely discriminated against even today on the basis of being born into a particular 'caste' or social group.

5.3. At present the obligations of states with regard to implementing labour rights are increasingly being complemented by instruments that call upon the corporate sector to be responsible and accountable for its impact on the larger society, including those whom it employs or whose employment it influences through the sub-contracting chain. One of these instruments is the UN Global Compact, of which Principle 6 requires supporting companies to seek 'the elimination of discrimination in respect of employment and occupation'. Another is the Global Sullivan Principles, which state that companies will 'work with governments and communities in which we do business to improve the quality of life in those communities, their educational, cultural, economic and social well being and seek to provide training and opportunities for workers from disadvantaged backgrounds'. There are similar commitments in the OECD Guidance for Companies and the (draft) United Nations Norms on the Responsibilities of Transnational Corporations and other Business Enterprises with Regard to Human Rights.

5.4. Companies supporting the Principles below are asked to give general endorsement to these Principles, to work progressively towards their implementation and to make an annual report on their progress as part of their diversity or corporate social responsibility reporting, and also to consider engaging in some form of external audit. The Principles are built upon the urgent need in any society for positive or affirmative action for severely and structurally disadvantaged groups.

[11] Corporate Social Responsibility in India, Policy and Practices of Dutch Companies, www.indianet.nl/csrindia.html

[12] DSN-DNF International Consultation on Caste-Based Discrimination and the Kathmandu Dalit Declaration, www.idsn.org/ICCBD.html

5.5. In the Principles the term 'Dalits' is used, as that is the term chosen by many of the former 'untouchables', or 'Scheduled Castes' as the Indian Government refers to them. In this context it also includes indigenous people(s) or - as they are officially called in India - 'Scheduled Tribes'. 'Caste discrimination' is equivalent to 'discrimination by work and descent', the terminology adopted by the United Nations. The countries of 'South Asia' we are referring to are primarily India, Nepal, Pakistan, Bangladesh and Sri Lanka.

5.6. THE AMBEDKAR PRINCIPLES[13]

Employment Principles to Assist Foreign Investors to Address Caste Discrimination in South Asia

The Signatories of these Principles, building on existing national anti-discrimination laws and policies, and, in the spirit of internationally recognized human rights will:

1. Include in any statement of employment policy a reference to the unacceptability of caste discrimination and a commitment to seeking to eliminate it;
2. Develop and implement a plan of affirmative action, where appropriate with specific reference to Dalit women, particularly where Dalits are under-represented as employees in relation to the local population;
3. Avoid any form of bonded or indentured labour and, as the victims of these are mostly Dalits, pay specific attention to the role that caste relations might play in legitimising or covering up such forms of labour;
4. Use fair recruitment, selection and career development processes, with clear objective criteria, and ensure that these processes are open to scrutiny from Dalit themselves as well as other civil society groups;
5. Take full responsibility for their workforce, both direct and sub-contracted, seeking to detect and remedy any caste discrimination in employment conditions, wages, benefits or job security;
6. Evolve comprehensive training opportunities for employees and potential recruits from Dalit communities, integrated with other staff where appropriate but separate if not, and with the aim of enabling them to full their potential;
7. Designate a manager at appropriate level to carry out the policy, aimed at meeting business needs, maximising the benefits of a diverse workforce, and ensuring the policy, its monitoring and the related practices are carried through;
8. Develop effective monitoring and verification mechanisms of progress with effect to the above at the level of the individual company, and also co-operate in monitoring at the levels of sector and the state, involving Dalit representatives, including women, in these mechanisms;
9. Publish annually a report on progress in implementing these Principles – preferably in relation to an appropriate section of the Annual Report and appoint a specific board member with responsibility for oversight of this policy area.
10. Ensure that all corporate support to community development programmes and other charitable activities in caste-affected countries or areas includes the participation of Dalits and assures their at least equal share in any benefits.

6. UNION ACTION IN DENMARK:

Nicolas Fisher, union representative for Luftfartfunktionaerernes (LLF), Danish Union of Salaried Employees

6.1. In 2003 the Scandinavian Airlines System (SAS) announced they were planning to outsource some of their operations, including passenger revenue accounting to Mumbai in India.

6.2. The union (LLF) did not want job losses in Denmark, but decided that if SAS was going ahead with this arrangement they would insist and demand that the company in question abide by human rights obligations and ILO conventions. Therefore, the union first wrote to the company on 9th June 2003 and followed this with a letter to the Chief Executive on 16th June 2003. The letter drew attention to the Universal Declaration of Human Rights and the Conventions of the International Labour Organisation (ILO) to which Denmark and most other countries had committed to.

[13] These Principles were presented in draft form to the International Consultation on Caste-Based Discrimination held in Kathmandu between November 29 and December 1, 2004. The International Dalit Solidarity Network hopes to receive comments and suggested amendments over a six-month period and to adopt the Principles in final form in late 2005.

6.3. The company finally replied on 11th August 2003, but the union was not satisfied with the response and wrote back raising further questions in the context of the Global Compact. The union (LFF) emphasized that whilst it did not intend to interfere with company policy, it wanted to ensure that the Indian Constitution, which aims to eliminate caste discrimination from the Indian society was adhered to, as well as the many international Conventions, which India had signed.

6.4. Alhough a number of companies have signed up to the Global Compact the problem is with reporting and monitoring the implementation of this voluntary agreement. Under the existing system, participating companies are to communicate with their stakeholders, on an annual basis, their progress in implementing the Global Compact through their annual financial reports, sustainability reports, other prominent public reports, websites, and/or other communication channels[14].

6.5. LLF expressed the need for a monitoring system – such a system would ensure that managements achieve specific targets in human rights, similar to business related economic and technical targets. For example, the monitoring system will then ascertain whether the SAS partner, WNS in Mumbai employs Dalits. Or whether a target of, say 15 percent of employees to be employed reflects the population occurrence, of say Dalits, or Scheduled Castes/Tribes.

6.6. In August 2004 the LFF union wrote to 300 Scandinavian companies operating in India asking them a set of questions. The union plans to publish a report on their responses in the near future.

7. THE GLOBAL COMPACT[15]:

7.1. The Ten Principles: The Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

The Universal Declaration of Human Rights
The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
The Rio Declaration on Environment and Development
The United Nations Convention Against Corruption

7.2. Global Compact - **Labour Standards**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

8. SEMINAR DISCUSSION: SUMMARY OF KEY POINTS

Gina Borbas – Coordinator DSN UK

8.1. Questions raised during the discussion

8.1.1. What economic benefits will supporting the Employment Principles bring to companies? Will addressing discrimination enhance their reputation?
8.1.2. What are the economic consequences of discrimination for a country's economy?
8.1.3. What responsibilities do companies acting through a third party have for monitoring employment conditions/policies of their suppliers/agents/subcontractors etc.?
8.1.4. How can we identify and prevent caste discrimination within our organisations?

14 The Global Compact, www.unglobalcompact.org/Portal/
15 What is the Global Compact? www.unglobalcompact.org/Portal/

8.2. What role can companies play?

8.2.1. In recognising education as singularly important for generations of social change, companies can actively promote education to give Dalits the skills required by private companies, e.g. sponsoring of school, college or University programmes, English language or other training schemes; this can assist Dalit students in obtaining the qualifications needed for access to professional private sector jobs.

8.2.2. Access to jobs is crucial; there needs to be exploration as to whether companies' diversity policies are resulting in the recruitment of Dalits and therefore a need for diversity policies to be monitored from a perspective of caste discrimination to ensure that recruitment is based on education and merit.

8.2.3. Companies should target Dalit communities for employment at all levels.

8.2.4. The economic and financial needs of the 'Dalit market' should be analysed, such as access to fixed-rate loans, the need for micro -finance, financial training, support and assistance to co-operatives.

8.2.5. Dalit communities should be included in corporate social responsibility initiatives, e.g. sponsorship schemes and community initiatives.

8.2.6. Goods and services for business requirements should be sourced locally, from the region instead of importing from outside, with Dalit entrepreneurs encouraged to tender.

8.2.7. There needs to be a stakeholder approach – involving Dalit communities and employees in analysing problems and finding solutions.

8.3. Trade Unions challenges in India:

8.3.1. It was recognised that the Trade Union system in India is very varied and quite limited in its interaction with issues of caste discrimination; whilst there are specific trade unions for 'Scheduled Castes and Tribes' (SC/ST) these are only active in the public sector.

8.3.2. Many trade unions are caste-based which limits their accessibility and further segregates employees, supporting the structures of the caste system rather than challenging them.

8.3.3. Many of the largest trade unions are Marxist and do not support privatisation which limits their interaction with the private sector on behalf of any SC/ST members.

8.4. Trade unions in the UK:

8.4.1. Unions outside South Asia need to facilitate more efficient exchanges of information among themselves, to ensure a wider knowledge of the effects of caste discrimination and other international economic and social issues; the international secretariats have a role to play here.

8.4.2. UK Trade Unions should forge links with Indian trade unions to share information, education and training.

8.4.3. Unions in the UK could give more active support to initiatives such as the Dalit Solidarity Network.

8.5. Examples of caste discrimination in practice as experienced by Dalit participants at the seminar, and practices which prevent the employment of Dalits in companies:

8.5.1. Dalits are not seen as acceptable to be in a public leadership role – their authority will be undermined/ignored.

8.5.2. Discrimination is visible in the public sector. e.g. a qualified Dalit journalist was not given the opportunity to undertake television work.

8.5.3. There is under-employment of Dalits after achieving degrees at University level. Please refer to the 'Observer' article 3 October 2004 reprinted in the appendices which details how a Dalit student, Arvind Vaghela, with a Masters degree in Economics, is unable to gain employment in the private sector commensurate with his educational qualifications as a result of caste discrimination.

8.5.4. In recruitment processes personal interaction is crucial, people recruit from their own caste groups.

8.5.5. In interviews candidates are asked indirect questions related to caste, e.g their full name, whether they are vegetarian, where exactly they are from, their parents' occupation, etc.

8.5.6. There is always a fear of the issue of caste being raised which intimidates potential applicants.

8.5.7. If a Dalit is employed through an affirmative action/reservation system – the assumption is always made that s/he is unfit for the job on basis of merit and education.

9. THE NEXT STEPS

9.1. **Private Sector Companies** which are operational in, or are outsourcing to India, Nepal or other countries of South Asia should: Endorse the Global Compact; endorse the Ambedkar Employment Principles as an outworking of the Global Compact in the context of South Asia; require employment agencies whom they use to apply the Principles and encourage their suppliers to also do so.

9.2. **Trades Unions** should seek to bring pressure to bear on international companies, where they have members, and which are investing in South Asia, to endorse the Ambedkar Principles and work with the DSN to achieve this end.

9.3. **The Governments of South Asia** should:

9.3.1. adopt anti-discrimination legislation, ensure it is applied, and include all those in caste-affected communities, of whatever faith, in that legislative protection;

9.3.2. introduce the equivalent of reservation policy into private sector employment, at least until such time as Dalits and all caste-affected communities have achieved a high degree of parity in the field of employment.

9.4. **The UK and other EU Governments** should:

9.4.1. include discussions of caste discrimination in all their contacts with the countries of South Asia as an essential element in the battle against poverty and for human rights;

9.4.2. adopt the Ambedkar Principles in their development and other operations in South Asia; encourage international companies operating within the EU and South Asia to also adopt the Principles.

9.5. **The Dalit Solidarity Network (UK) and other solidarity bodies** should actively promote the Ambedkar Principles as a means by which awareness can be built around the issues of discrimination which Dalits face, and by which discrimination in the employment sector can effectively be addressed.

APPENDICES:

Untouchables in new battle for jobs *- India's lowest class raises its sights from the gutter*
Randeep Ramesh in Ahmedabad - Article in the Observer, October 3, 2004



Flanked by green cricket fields where he once played and a university from which he graduated, Arvind Vaghela tries not to notice the stream of students walking past. 'I used to be like them, attending lectures and going out on the fields. But now I just hide my face,' he said.

The reason for his shame is the broom in his hand. Despite a masters degree in economics from Gujarat University in Ahmedabad, the best job Vaghela, 24, could get was one done by generations of his family: roadsweeper. 'I wanted to work in sales for a bank, but you needed to have your own vehicle. I come from a poor family, so how could I afford that? When my father died I was offered his job and I took it,' he said.

As a Dalit, or untouchable, Vaghela's story is familiar in this sprawling west Indian city. Nearly 100 of its

council sanitation workers have degrees in subjects ranging from computing to law, but cannot get better jobs because they are Dalits. Their experience is part of an increasingly heated debate in India, where the government has announced that it will consider extending public-sector job quotas for people from the lowest castes to the private sector.

Industrialists, who insist private-sector jobs and promotions are earned on merit, say that this will make businesses inefficient and uncompetitive. Rahul Bajaj, who chairs a large motorcycle manufacturer, wrote in the Times of India that public-sector job quotas had reduced the 'effectiveness of government' because decisions were not made on the basis of ability.

This argument leaves Ahmedabad's roadsweeping graduates unimpressed. Most say that they have had to face discrimination or exploitation in the booming private sector. 'I got a job with a firm of accountants and then had to present my qualifications. On one school certificate it mentioned my caste. 'The next day I was told there had been a mistake - I was not required any more,' said Dalit sweeper Prakash Chauhan, 32, who has a a degree in commerce. Chauhan stresses he is relatively well paid, at 4,000 rupees (£50) a month, and his job is secure.'This is a job for life. But it was my father's life. Our parents had a dream that education would mean we would not have to do the jobs they did. It did not turn out that way.'

Dalits, the lowest caste, have endured centuries of discrimination and violence because of a social order that consigns them and their descendants to jobs nobody else wants to do and a tradition that all humans are created unequal. In rural India Dalits have been murdered for proposing to marry somebody further up the social ladder, barred from temples, forced into bonded labour and made to carry human waste from the homes of high-caste Hindus. In the cities, where it is easier to change one's name and slip into the crowd, Dalits say economic exclusion is now the biggest issue.

The ingrained unfairness of the caste system has brought pressure for reform on human rights grounds against Western firms doing business in India. Unions have written to 300 companies in Europe which outsource work to India to check that their subcontractors do not discriminate on the basis of caste. 'There are many parallels with the situation in South Africa in the Sixties, when foreign companies needed to be persuaded to address the discrimination in the system of apartheid,' said David Haslam, the London-based chair of the Dalit Solidarity Network.

Chandra Bhan Prasad, a Dalit writer who has proposed many new affirmative action programmes in India, says businesses should look for inspiration to the United States, where firms carry out diversity audits and give contracts to firms from minority groups. 'About a fifth of General Motors managers are African American, Hispanic or Native American. GM actually goes out of its way to recruit from these communities. The company also places $2 billion of business into the minority communities. No Indian business has done the same.' These measures helped to create a black middle class, he says, making African Americans part of mainstream life in the US. By contrast, Prasad says, if Oprah Winfrey had been born in India she would have remained chained to poverty rather than become one of the world's richest women. 'Here family connections and caste matter more than ability. It is still the case of who you know, not what you can do. 'In the US you have black billionaires, industrialists, black film stars, black professors. In India university professorships are closed to us. We do not have one Dalit millionaire. There is not one Dalit newspaper editor, nor a Dalit newscaster.'

Academics caution, however, that there is one big difference between race and Indian caste. 'No one can tell from your appearance that you are a Dalit. The same cannot be said for African Americans,' says Shyam Babu, a research fellow at the Rajiv Gandhi Institute, a think-tank in New Delhi. 'It is more subtle. Once you know someone's name and where they are from, most Indians can identify your caste. The basic bigotry is the same: you assume an entire ethnic group is incompetent.'

FURTHER READING, INFORMATION AND WEBSITES CONTACT LIST

Further Reading

Ambedkar, Dr B.R. - What Congress and Gandhi Have Done to the Untouchables, Bakar, Bombay (1946)

Devkota, P. N. – Dalits of Nepal: Issues and Challenges, Feminist Dalit Organisation, Kathmandu (2002)

Grey, Mary – The Unheard Scream: The Struggles of Dalit Women in India, Centre for Dalit Studies, New Delhi (2004)

Haslam, David - Caste Out: The Liberation Struggle for the Dalits in India, CTBI (1999)

Human Rights Watch - Broken People: Caste Violence Against India's Untouchables, New York (1999)

Ilaiah, Kancha – Why I Am Not a Hindu, Sanya, Calcutta (1996)

IMADR (International Movement against all forms of discrimination and Racism)– Descent-Based Discrimination, Peoples for Human Rights Vol. 9. October 2004 IMADR

Louis, Prakash - Political Sociology of Dalit Assertion, Gyan, New Delhi (2003)

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Padhy, K.S. – Reservation Policy in India, Ashish, Delhi (1988)

Rajshekar, V.T. – Dalit: The Black Untouchables, Clarity Press Atlanta (1987)

Tamrakar, Tek - Dalit Rights Under the Nepalese Legal System, Feminist Dalit Organisation, Kathmandu (2003)

Thekaekara, Mari M. – Endless Filth: the saga of the Bhangis, Books for Change, Bangalore (1999)

Thorat, Professor S.K. and Dr Umakant - Caste, Race and Discrimination: Discourses in International Context, Rawat Publications (2004)

International business norms / employment rights / mechanisms:

International Labour Organisation - *www.ilo.org/public/english/standards/index.htm*
The ILO formulates international labour standards in the form of Conventions and Recommendations setting minimum standards of basic labour rights: freedom of association, the right to organize, collective bargaining, abolition of forced labour, equality of opportunity and treatment, and other standards regulating conditions across the entire spectrum of work related issues.

Global compact - *www.unglobalcompact.org/Portal*
The Global Compact is not a regulatory instrument – it does not "police", enforce or measure the behavior or actions of companies. Rather, the Global Compact relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based.

Global Sullivan Principles - *www.thesullivanfoundation.org/gsp*
The Global Sullivan Principles of Social Responsibility is a code of conduct built on a vision of aspiration and inclusion. The Principles are inclusive in that they embrace businesses' existing codes of conduct and work in conjunction with them. The aspiration of the Principles is to have companies and organizations of all sizes, in widely disparate industries and cultures, working toward the common goals of human rights, social justice and economic opportunity. These Principles are truly unique; they apply to all workers, in all industries, in all countries.

The International Year of Microcredit - *www.yearofmicrocredit.org/*
The five key objectives for the Year are designed to unite Member States, UN Agencies and Microfinance Partners in their shared interest to build sustainable and inclusive financial sectors and achieve the Millennium Development Goals (MDGs)[17].
The objectives are to:
1 - Assess and promote the contribution of microfinance and microcredit to the MDGs;
2 - Increase public awareness and understanding of microfinance and microcredit as vital parts of the development equation;
3 - Promote inclusive financial sectors;
4 - Support sustainable access to financial services;
5 - Encourage innovation and new partnerships by promoting and supporting strategic partnerships to build and expand the outreach and success of microcredit and microfinance.

17 www.un.org/millenniumgoals

UK/National:

The UK government gateway to Corporate Social Responsibility - *www.societyandbusiness.gov.uk*

Ethical Trading initiative - *www.ethicaltrade.org*
The Ethical Trading Initiative (ETI) is an alliance of companies, non-governmental organisations (NGOs) and trade union organisations. They exist to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions. Their ultimate goal is to ensure that the working conditions of workers producing for the UK market meet or exceed international labour standards.

Ecumenical Council for Corporate Responsibility (ECCR) - *www.eccr.org.uk/about_main.html*
Working on issues of global concern, especially in regard to transnational corporations has led ECCR to develop close international partnerships in 22 countries around the world. These links are most closely associated and expressed through work which ECCR has promoted to establish the ***Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance*** which was first launched in 1995 and up-dated and further developed in 1998.

South Asian Dalit networks and information centres:

Indian Institute of Dalit Studies, Professor S.K.Thorat
D/25-D, South Extension, part II, New Delhi 110049. Phone 011 51643981/2 email: ***iids@dalitstudies.org***

National Campaign on Dalit Human Rights - *www.dalits.org*
The NCDHR is part of a wider struggle to abolish "untouchability" and to "cast out caste". "Untouchability" and caste discrimination continue to be a brutal reality for more than 160 million Dalits living in India today, despite the fact that more than half a century has passed since India was born as a "democratic" and independent state.

www.ambedkar.org
General information site on Dalit issues. Hosts a debate on 'Reservations in the Private Sector'

Dalit NGO Federation - *www.dnfnepal.org*
DNF is a national network of Dalit organizations which fight against the caste based discrimination in Nepal.

Scheduled Castes Federation of Pakistan - *www.pakdalits.tk*

International Links

International Dalit Solidarity Network - *www.IDSN.org*
The International Dalit Solidarity Network (IDSN) is a network of national solidarity networks, groups from affected countries and international organisations concerned about caste discrimination and similar forms of discrimination based on work and descent.

We welcome you to use the information in this report but would please request that you credit DSN UK and credit any quote to its correct source in the report. For further information please contact the DSN office at the address below.

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Cast out Caste

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